

New York State Homes and Community Renewal
Notice of Funding Availability
(NOFA)

Plus-One ADU Program

For the Creation and Improvement of Accessory Dwelling Units

Round 2



**Homes and
Community Renewal**

KATHY HOCHUL, GOVERNOR

RUTHANNE VISNAUSKAS, COMMISSIONER/CEO

Table of Contents

Purpose.....	3
Program Overview.....	3
Background.....	3
Eligible Applicants	3
Eligible Activities	4
Eligible Costs.....	5
Evaluation and Selection Criteria.....	5
Submission Guidelines:	6
Proposal Costs and Materials.....	6
Application and Award Timeline.....	7
Award Recommendations and Board Approval.....	7
Application Status and Notification	7
Program Grant Agreements	8
Equal Employment Opportunity/Minority and Women Owned Business and Affirmative Action	8
Questions	8

Purpose

[The Housing Trust Fund Corporation](#) (“HTFC”) as part of [New York State Homes and Community Renewal](#) (“HCR”) invites eligible applicants to apply to administer the Plus One ADU Program, an initiative to create and improve Accessory Dwelling Units (ADUs). This NOFA describes the purpose for which the available funds are to be used and the methodology for disbursing those funds.

Through this NOFA, HTFC plans to make up to **thirty million dollars (\$30,000,000) available to approximately fifteen (15) eligible applicants** for the administration of the Plus One ADU Program. Eligible applicants are invited to submit applications for funding to cover grants to eligible homeowners and for the anticipated costs associated with program delivery.

Applications must be submitted via email to NOFA.Applications@hcr.ny.gov no later than **3:00 PM (EST) on Friday, February 2nd, 2024** **Friday, February 16th, 2024**. The initial contract shall be for **two (2) years**, with the potential for an extension depending on the need and at the discretion of HCR staff.

Program changes in this NOFA from the last round of Plus One ADU funding are in italic and underlined.

Program Overview

By working with units of local government and community development partners, Plus One ADU will provide a full-service program to support low- and middle-income single-family homeowner occupants who wish to build a new ADU on their property or improve an existing ADU that needs to be brought into compliance with local and state code requirements. Depending on the property and what the locality permits, ADU’s may be small, stand-alone (detached) units on single-family lots, basement apartments, garage conversions, or other permitted units.

Background

The 2022-2023 NYS Capital Budget made available \$85,000,000 for the purposes of creating and upgrading accessory dwelling units across the state, as part of a five (5) year Housing Plan. To date, approximately \$23.5 million has been awarded in thirteen (13) jurisdictions. Since each community’s need for ADUs are different, HTFC will select awardees with the aim of crafting community-specific programs for generating safe, quality ADUs. HCR anticipates subsequent opportunities for ADU funding.

Eligible Applicants

Competitive applications must include partnerships between a non-profit housing organization and a municipal or county government. Either the governmental or non-profit entity may serve in the role of the Lead Applicant and the proposal should specify which entity is the lead. A local unit of government can apply to administer the program in multiple jurisdictions if there is demonstrated proof of support from the local zoning boards or administrations, of which must be proven through letter(s) of support.

Jurisdictions participating in the current Plus One ADU program are not eligible to apply to this round. However, current Plus One ADU non-profit program administrators (awardees) may apply for this round if their application is in partnership with a local unit of government that is not currently participating in the program, with the exception of New York City.

Eligible Activities

Applicants selected by HTFC to administer the Plus One ADU Program (the “Awardees”) will be expected to work with HCR staff to create a work plan, which shall include, pre-development activities, construction oversight and post construction monitoring.

1. Pre-development Activities:

Awardees will identify low- and moderate-income homeowner occupants who wish to add an ADU to their property or make capital repairs to an existing ADU. In all cases, awardees will be required to cap participation of homeowners with household income of no more than one hundred percent (100%) area median income (AMI) for the County or MSA, adjusted for family size and all ADUs must be permitted by the municipality.

Awardees will establish standards for eligibility and perform assessments of potential homeowner participants to include current mortgage debt and affordability, building violation searches, documentation of good standing for any existing mortgages, and other due diligence to determine the likelihood that the homeowner participant will maintain the property in good financial and physical health.

Awardees will oversee the pre-development process including design, budgeting, permitting, environmental assessment, appraisals, and other required due diligence to secure funding from HTFC or other needed sources.

Awardees will secure the services of appropriate design professional(s). Each property must have plans and an identified scope, which complies with design standards approved by HCR staff.

Prior to the formal commitment or expenditure of funds, the environmental effects of each program activity must be assessed in accordance with the State Environmental Quality Review Act (“SEQRA”) at 6 NYCRR Part 617.

2. Construction Oversight:

Awardees will oversee all aspects of the construction process from contractor bidding and selection, compliance with MWBE utilization standards, general construction oversight and coordination between property owners and contractors, preparation of payment requests and other essential activities to ensure efficient construction for each ADU.

3. Post-Construction Monitoring:

Awardees are required to enter into a Regulatory Agreement, and associated declining balance enforcement documents, with the participating homeowners for the Regulatory Period which shall not be less ten (10) years.

Compliance monitoring will include the collection of annual compliance certifications including confirmation that the ADU is being used as permanent housing rather than as a short-term rental, and site visits every two years to ensure appropriate property maintenance and quality housing standards, among other standards. The Awardee is expected to assist with the completion of the compliance documentation from homeowners as needed.

Eligible Costs

Applicants are required to provide a program budget in their application. Proposed budgets should take the following criteria into consideration:

- Award requests should not exceed \$2,000,000. HTFC will not consider applications with a request of over \$125,000 per unit, which must be inclusive of program delivery costs. For groups applying in New York City, the per unit cap can be requested of up to \$175,00 per unit.
- Up to ten percent (10%) of the total requested award may be budgeted for program delivery, including costs such as staff time and materials for program management, legal, accounting and auditing expenses, insurance, marketing and outreach expenses, and a compliance monitoring fee.

Funds will be paid as Awardees achieve milestones in the program delivery. Disbursement schedules will be determined by HCR staff prior to the execution of a program Agreement.

Evaluation and Selection Criteria

Applicant proposals will be examined for completeness and eligibility. Incomplete proposals and those that do not meet eligibility requirements may be rejected as ineligible. Complete proposals and those that meet eligibility requirements will be reviewed and rated. After initial scoring, supplemental information may be requested by HCR staff for tie- breaking purposes, if necessary.

In addition, eligible applications must contain a letter or resolution from the non-profit organization and from the municipal or county government in the partnership reflecting support for the proposed undertaking, and the proposed roles and responsibilities for each.

The maximum rating is 100 points.

1. Capacity & Experience: (maximum of 25 points)

- Applicant demonstrates a strong record of success in project development and managing construction/rehabilitation of single-family homes.
- Applicant demonstrates a strong record of success in providing homeownership counseling and technical assistance to low- and moderate-income homeowners, including the capacity to monitor homeowner compliance throughout the Regulatory Period.

2. Feasibility of Proposal: (maximum of 25 points)

- Applicant outlines the need for and the goals for ADUs in the subject community (legalizing existing ADUs, multi- generational housing, workforce rental housing, bolstering financial stability for low-income homeowners, etc.)
- Applicant identifies and explains the target neighborhood(s).
- Applicant demonstrates that existing zoning and other applicable building codes allow for ADUs.
- Applicant demonstrates that the community has committed to facilitating a RP-421-f property tax exemption for any increase in value from the ADU improvement or creation, where applicable.

3. Cost-Effectiveness of Proposal: (maximum of 25 points)

- Applicant presents a proposed project budget that clearly enumerates expected pre-development, development, and program delivery and compliance monitoring expenses.
- Applicant demonstrates the availability of other resources to supplement the cost of creating or improving ADUs. Where affordable and feasible for target communities and homeowners, HTFC would consider the development of concepts to leverage dollars through repayable loans.
- Applicant outlines a realistic process for undertaking a cost efficient, comprehensive, and supportive process for building or improving ADUs in cooperation with homeowner participants.
- Applicant demonstrates an intention to construct new ADUs with energy efficient and electric-ready materials, in target with New York State energy goals.

4. Ability to Generate Demand: (maximum of 25 points)

- Applicant presents a marketing plan and strategy for identifying participating homeowners.
- Applicant demonstrates an existing inventory of potential homeowner participants.

Submission Guidelines:

Please include the following documents in one single PDF file. The program budget and narrative should not exceed ten (10) pages in total and must be inclusive of the cover letter, program budget, program narrative, and letters of support.

1. **Cover Letter:** Legal name of the applicant organization; the Federal Identification Number (FEIN), Name of Point of Contact for the Proposal, their phone number and e-mail address, geographic region (County/Town), amount of funds requested, and the partner organization(s) for this project.
2. **Program Budget & Narrative:** Answer all the questions referenced in the evaluation criteria guidelines above.
3. **Letter(s) of Support:** Letters from the town or municipality demonstrating programmatic alignment for implementing ADUs.

Submit the completed application to the email address: NOFA_Applications@hcr.ny.gov by the submission deadline.

Proposal Costs and Materials

Neither HTFC or HCR will be held liable for any cost incurred by the applicant for work performed in the preparation, production, or submission of a proposal in response to this NOFA. All proposal materials and information submitted as part of the application shall become the property of HTFC. No materials, curricula, media or other content will be returned to the applicant.

All completed applications will be reviewed and scored. HTFC reserves the right to:

- Award all, a portion of, or none of the program funds based upon funding availability, competitiveness of applications received, feasibility of achieving project goals and objectives and completing proposed activities.
- To change or disallow aspects of the applications and may make such changes conditions of its commitment to provide funding.
- To recommend funding in an amount less than requested.
- To not issue an award or grant agreement to any applicant if it has been determined that the applicant is not in compliance with existing state contracts and has not taken satisfactory steps to remedy such non-compliance.
- Waive any requirement contained in this NOFA.
- Revise this NOFA from time to time.
- Extend the submission due date.

Application and Award Timeline

HTFC reserves the right to modify this schedule, at its discretion. Notification of changes in connection with this NOFA will be posted and made available to all interested parties via <https://hcr.ny.gov/funding-opportunities>

Issuance of NOFA	Friday, December 15 th , 2023
Deadline for Submission of Proposals	Friday, February 16th, at 3:00 PM (EST)
Anticipated Revised Proposal Period and Interview(s) (if applicable)	Month of February
Anticipated Preliminary Award Selection (award(s) will be contingent on HTFC Board approval, which may occur after this date)	Thursday, March 14 th , 2024

Award Recommendations and Board Approval

Awards are recommended based on available funding, proposal quality and project feasibility as determined by the review and rating of an application. The evaluation and selection criteria are detailed in the NOFA. Recommendations are advanced to the appropriate HCR Board for consideration and the award must be approved by that Board prior to the execution of a grant agreement.

Application Status and Notification

Applicants will receive one of the notifications below in response to their application:

- Incomplete: Application presents potentially eligible project but provides insufficient information. Applicant

will be provided an opportunity to submit additional documentation.

- Non-Award Notification: Application presents an incomplete, non-competitive, not viable project and will not receive an award under this NOFA.
- Preliminary Award Notification: Application presents a complete, eligible, competitive, and feasible project. The project has been recommended to and approved by HTFC Board of Directors for funding.

Program Grant Agreements

Awardees may be asked to revise parts of their proposal prior to entering into a program grant agreement. After any required revisions are submitted and approved, a final program grant agreement will be executed. The program grant agreement will require that Awardees expend all funds and meet all program goals within a two-year (2) term with the possibility for an extension, at the discretion of HCR staff.

An applicant should not apply if the project will not begin within a reasonable time after receiving an executed grant agreement or will not be able to complete the project within the term. Funds remaining at the end of the term are subject to de-obligation and reallocation.

Equal Employment Opportunity/Minority and Women Owned Business and Affirmative Action

Under Article 15A of the New York State Executive Law, all award recipients and their contractors are required to comply with the equal employment opportunity provisions of Section 312 of that Article. Also, all contractors and awardees are required to make affirmative efforts to ensure that New York State Certified Minority and Women-Owned Business Enterprises are afforded opportunities for meaningful participation in projects funded by HTFC pursuant to Section 313 of the Article.

All MWBE firms used to satisfy this requirement must be certified as such with the State's Empire State Development ("ESD"). All SDVOB firms used to satisfy this requirement must be certified as such with the State's Office of General Services.

Affirmative Action Policy Statement: It is the policy of the HCR to provide equal opportunity to all people without regards to race, color, sex, religion, age, national origin, disability, or sexual orientation.

Questions

Any questions regarding this NOFA or the application process should be directed to: [NOFA Applications@hcr.ny.gov](mailto:NOFA.Applications@hcr.ny.gov)